

## Outplacement: The Polish Experience and Plans for Development in the Labour Market

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## **Chapter 6**

### **Outplacement: The Polish Experience and Plans for Development in the Labour Market**

Andrzej Klimczuk and Magdalena Klimczuk-Kochańska

#### **Introduction**

Maintaining employment in the sector of small and medium-sized enterprises (SMEs) is crucial for the functioning of the economy. However, in a situation of economic crisis, the changes in the area of employment of workers often become the foremost way of adapting to declining financial resources, which are the result of reduction of interest in the offer of the enterprise. These actions had proven to be particularly evident in the case of global financial and economic crisis, which also affected the Polish economy after 2008.

The restructuring processes are perceived here as a field, which include the layoffs and consequently lead to increasing unemployment, including long-term and structural unemployment. Outplacement is a relatively little used technique in Poland, based on responsibly monitored dismissals for a smooth transition of laid-off workers to new workplaces. In this way, both employees and companies increase their chances of maintaining competencies and better adapting to the requirements of the market competition. In this chapter, outplacement will be described as a concept with mechanisms similar to active labour market policies (ALMPs) (cf. van Berkel & van der Aa, Paul, 2015). However, outplacement is aimed at the prevention of unemployment, not as an action when it has already occurred.

This chapter includes basic information about the current labour market policy (LMP) in Poland and the 2014 national reform of public employment services (PESs). Moreover, it focuses on the fundamental assumptions of the concept of outplacement, on Polish experience in its implementation, and possibilities of its further development in the context of social cohesion in the new European Union (EU) financial framework 2014–2020.

#### **Labour Market Policy in Poland**

At the beginning of the 1990s, the Polish labour market was changed during the process of transition from a centrally planned economy to the free market. A permanent labour force shortage of the 1970s and 1980s was replaced by a labour force surplus, which fostered mass-scale unemployment. In September 2012, unemployment in Poland affected almost two million people, with an unemployment rate reaching approximately 14.3 per cent. We can distinguish several waves of development of unemployment in Poland. The first started from 1990 to 1993 (from 1,126,000 to 2,889,000 people), with a decrease in 1994–1998 (from 2,838,000 to 1,831,000), repeated growth in 1999–2002 (from 2,347,000 up to 3,216,000); a decline in unemployment in 2003–2008 (from 3,175,000 to 1,473, 000; which was related to opening of EU labour markets to Polish workers), and a rapid growth in 2008–2012 (from 1,893,000 to 1,982,000) (Central Statistical Office of Poland, 2014, p. 32).

Limitation of unemployment has become seen as a fundamental task of the state undertaken through the LMP, which according to Zenon Wiśniewski (1994, p. 29) may be defined as ‘all measures aimed at such formation of the labour market and the employability potential of employers that will allow the achievement of specific socioeconomic targets’. Such objectives include increasing labour mobility, improving employment structure and providing social security to the unemployed (Kabaj, 1997, p. 44).

Since the early 1990s, the government’s approach to the Acts on Unemployment and the Labour Market has evolved and the shift from the PLMPs (passive labour market policies; social services aimed to support the unemployed and to limit the adverse effects of social outcomes) to ALMPs (services fostering job search and training) was observed (Szyłko-Skoczny, 2013, p. 80). The current Act on the Promotion of Employment and Labour Market Institutions (2004) focus on the instruments and services aimed at employment promotion, their improvement and introduction of new solutions. Thus, currently instruments for vocational activation offered by

the public labour administration include job placement, guidance counselling, European Employment Services (EURES), occupational training and retraining (including career and technical education and lifelong learning), intervention jobs, public works, on-the-job training, and loans to create jobs and starting a business (Szyłko-Skoczny, 2013, p. 88). Moreover, these services were divided to be used by a general category of unemployed and by the particular target groups. Such groups according to the Act are the graduates, youth (under the age of 25), disabled people, older workers (over age 50), long-term unemployed, people without qualifications, and single parents (with children under the age of seven) (Ministry of Labour and Social Policy, 2012).

Until the introduction of the Act of 20 April 2004 in Poland, only the public sector was responsible for tackling unemployment (first central, then the local government), although already in the 1990s commercial and governmental services for the unemployed and job seekers were already present (Szyłko-Skoczny, 2013, p. 84). In order to improve effectiveness, in 1999 administrative reform led to the decentralisation of PESs by dividing the labour offices into regional labour offices (16) and the creation of new district labour offices (343). Thus, the activity of labour offices was subordinated to local authorities, which sometimes led to the poor functioning of these offices, including reducing the scope of their activities, to the poor coordination of their tasks, and to the weak ability to response the problems on the regional and domestic levels of the labour markets. After 2004, more multisectorality (the welfare pluralism) gained importance in this area as the new Act introduced a definition of labour market institutions and divided them into the PESs, public Voluntary Labour Corps (professional activation services for youth), as well as commercial and non-governmental organisations (NGOs; such as employment agencies, training institutions, social dialogue and local partnerships). Cross-sectoral cooperation between public, commercial and NGOs in providing labour market services was also stimulated by the introduction of the Act on Social Employment (2003), the Act on Public Benefit and Volunteer Work (2003), the Act on Public-Private Partnership (2005) and the Act on Social Cooperatives (2006). However, there is still a need to improve cooperation in a situation where the commercial and NGOs entities focus mainly on the development of human resources, specialised services, job placement and counselling for entrepreneurs. The key role in the LMP is still played by poviát employment offices. Poviát/district is the second-level unit of local government in Poland, located beyond the lower level of gmina and the higher regional level called as the voivodeship. District labour offices provide services for the registration of the unemployed, disbursement of unemployment benefits, labour agency, guidance counselling, training, preparation of analyses, reports, and funding of subsidised employment and special programmes.

### **Outplacement as a Form of Adapting Employment in the Organisations to the Market Changes during the Crisis**

Ongoing since 2008, the global economic crisis has increased the sense of risk and uncertainty in the business environment, which forces enterprises to take restructuring measures. These processes are seen primarily as layoffs in the social consciousness, which consequently lead to an increase in unemployment. In the late 1990s, in Poland, legislative changes aimed at promoting more outplacement were taken. However, a critical review of the literature and statistical data can argue that this concept is still being ignored. Both in the literature and in business practice in Poland more attention is paid to processes of recruitment and career building of employees, rather than derecruitment. The derecruitment may be defined as the processes of (1) limiting tasks of the employees on the internal labour market of organisation or (2) laying off employees, which means that they are targeted to the external labour market. Contemporary enterprises and institutions need to take into account also the changes in the international division of labour (Klaus-Dieter & Czuratis, 2014). Restructuring occurs globally, and many such actions result in undesirable consequences for communities and regions, and the worsening of their situation (Korsak, 2009,

p. 5). Success depends here on the policy style, cooperation between social partners, and mutual trust.

Konrad Schwan and Kurt G. Seipel (1997, p. 238) indicate seven factors influencing the need for staff reduction. These are: (1) slow growth or stagnation of the industry; (2) introduction of new technologies into the enterprise; (3) economic concentration; (4) economic impact; (5) the excess capacity of the workforce and staff exchanges; (6) a transfer of a production centre; and (7) seasonal fluctuations. Alan Downs (2007, p. 24) indicates that the forced layoffs are often based on the calculation of the risk of lawsuits brought by laid-off workers, while such derecruitment completely ignores the protection of morale of individuals remaining in the company and their intellectual capital. Layoffs are subject to, amongst others, risk of loss of the image of a company and its products and services; loss of confidence of employees, customers, suppliers and other business partners; sending signals that the business is experiencing financial, organisational or technical difficulties; impact on the level of sales, creditworthiness, the ability to acquire new suppliers, flexibility in defining the terms of cooperation, advances (Meyer & Shadle, 1994, pp. 27–40; Janik, 2009, pp. 393–394).

According to the research of international auditing company KPMG, regarding human resources policies in 303 enterprises operating in Poland, the majority, 88 per cent, of surveyed companies said that the economic slowdown was the primary reason for changes in their policies (Karasek, Emerling, & Kwiatkowski, 2011, p. 9). The main changes were the restructuring of employment and implementation of flexible forms of employment and occupation. Researchers described three categories of cost optimisation for human capital by the companies: (1) reduction of employment; (2) reduction of workers' benefits; (3) optimising the costs of workers' maintenance (Karasek, Emerling, & Kwiatkowski, 2011, pp. 10–11). Downsizing allows a reduction of companies' operating expenses in the short term. At the end of December 2010, 45 per cent of companies said that they had decided to cut jobs in response to the economic downturn. One in 10 surveyed companies declared their intention to continue redundancies. For 93 per cent of the companies using this method, it was efficient and had provided positive results. In addition, companies reduced recruitment activity, reduced workers' benefits, and in some cases, decided to 'force' unpaid leave, but these solutions were less efficient (Karasek, Emerling, & Kwiatkowski, 2011, p. 18). In the long term, these methods are not effective; hence, relatively few companies continue to optimise costs with their help. Some Polish companies during the economic downturn also applied long-term cost optimisation methods. Mostly, they used internal recruitment, flexible forms of employment and outsourcing. About 70 per cent of the enterprises that implement them do not intend to abandon these solutions. However, these solutions have been used at least two times less than the reduction of employment or reduction of recruitment. Exceptions are the internal recruitment and outsourcing. In other words, the KPMG study shows that entrepreneurs mainly tend towards solutions oriented to the benefits in a short rather than a long period. Thus, they are exposing enterprises to risks associated with the adverse effects of layoffs. The use of outplacement in organisations wishing to dismiss workers will, therefore, allow a reduction in the scope of these negative processes.

### **Basic Assumptions of the Outplacement Concept**

The derecruitment, according to Aleksy Pocztowski (2007, p. 163), may be defined as a process, the objective of which is 'to rationalize employment in the cross-section of individual workplaces, different organizational units, and across the enterprise, regardless of the factors that cause it'. The researcher proposes to distinguish derecruitment on the internal labour market and the external labour market (Pocztowski, 2007, pp. 163–164). The first type includes a change in working hours, its location and the competencies. It does not mean laid-off, but a modification in the work. The second type refers to a reduction of employment, for example, by layoffs and natural forms of employee attrition (death, retirement). It may also lead to the loss of competence in the organisation, which may be significant for its further development.

Outplacement provides a chance to retain competence in the organisation and reduce corresponding losses.

The term 'outplacement' combines two English words: 'out', which refers to be 'beyond or outside', and 'placement', which may be understood as 'location or setting'. Thus, the outplacement may be interpreted as a 'location outside', which is not the same as 'laid off'. The outplacement involves introducing employees to new jobs outside the current employer. It underlines the economic value (the desire to increase the value of the enterprise) and the social value (work, social security). In the literature, the term 'outplacement' is sometimes used interchangeably with terms such as 'job search counselling services', 'career management counselling', 'career transition services', 'career planning', 'career change coaching', 'executive outplacement or career coaching', 'gentle layoffs', 'redundancy help or advice', 'employer and employee support during the restructuring', 'retraining programme', 'professional activation' and 'career continue programme' (Meyer & Shadle, 1994, pp. xviii-xix; Ministry of Regional Development, 2010, p. 10; Binda, 2014b). Basic assumptions of outplacement have been shaped in the United States after the Second World War (Littler, 2004; Lengnick-Hall, 2005; Binda, 2014a). It was a term to describe programmes for former soldiers returning from service who had difficulties in going back into the labour market. The first outplacement programmes were created by government agencies and, during the 1960s, similar solutions were popularised by consulting firms providing services to commercial enterprises. Contemporary there are different models and styles of the outplacement process management in different welfare states (Pickman, 1994, 1997; Broderick, 1996; Lebo, 1997; Cyngler, 2001; Jeurissen, 2006; Kieselbach, Bagnara, Witte, Lemkow, & Schaufeli, 2009; Waraich, 2012).

There are different functions of outplacement. First, it is intended to mitigate the adverse effects of downsizing through the professional adaptation of laid-off workers (Doherty, 1998; Battisti, Gilardi, Siletti, & Solari, 2014; Religa & Kicior, 2011, p. 105). Aleksy Pocztowski (2007, pp. 168-169), Jolanta Religa and Anna Kicior (2011, p. 105) recognise that this idea focuses on the providing support to laid-off workers by the employer, which goes beyond the labour law. Outplacement also should have a positive impact on the workers who are remaining in the company through advice and assistance in thinking about the future, instead of focusing on claims for the events of the past (Pocztowski, 2007, pp. 168-169). Antoni Ludwiczynski (2006, p. 225), Konrad Schwan and Kurt G. Seipel (1997, p. 239) emphasise that outplacement should guarantee social agreement. It should limit the risk of open conflict, reduce the decline in labour productivity, stop the departure of the company's most valuable employees and increase the growth potential of the company and employees. Thus, outplacement should be a 'win-win' strategy by which in times of crisis and subsequent restructuring all actors of the labour market are winners.

Anna Kwiatkiewicz (2009, pp. 43-49) proposed a helpful division of the instruments used in Poland during the restructuring. Outplacement was qualified among tools for management of the already ongoing process next to the pension arrangements; benefits for the unemployed; severance payments; individual compensation packages. On the other hand, tools for anticipating restructuring were distinguished: early warning systems (for example, the obligation of employers to inform labour offices about the projected collective redundancies and outplacement); training and retraining for workers threatened with redundancy; activation of older workers; monitoring and analysis of surplus and deficit in competitions run by the poviats employment offices; active labour market measures within the framework of projects financed by the European Social Fund (ESF); investment in research and development (Kwiatkiewicz, 2009, pp. 39-43). Thus, employers can apply for a number of instruments to anticipate short-term restructuring processes or mitigate their course.

Outplacement has a positive impact on the perception of the enterprise as socially responsible. Supporting the redundant workers brings benefits such as improving the image of the organisation, a positive climate in the organisation, protection of critical competencies, and reducing the costs of potential litigation (Westaby, 2004; Lewicka, 2010, p. 118). The reduction

in employment should also be preceded by an analysis of the effects for not only the company, but also its stakeholders (employers, workers' representatives, labour unions, public administration, regional authorities and external consultants, including NGOs) (Schwan & Seipel, 1997, p. 238; Meyer & Shadle, 1994, pp. 45–50). Restructuring therefore needs to take into account not only the norms, values, attitudes and goals of business owners, but also others involved in its tasks and crises. Thus, outplacement programmes can be understood with the concepts of corporate social responsibility and the social and solidarity economy (organisations such as cooperatives, charities, social enterprises). Both of these approaches come from different theoretical traditions, but from the perspective of the contemporary social policy, are closely linked to fostering social cohesion. Both of them highlight reconciliation of social and economic benefits, which is also a fundamental goal of outplacement.

### **Key Information on Polish Experiences in the Outplacement Implementation**

In Poland, the first outplacement programmes began in the 1990s with the restructuring of enterprises in industries such as mining and metallurgy. In the late 1990s public reforms of social security, health care, local administration and education began, as well as a new wave of corporate restructuring focused on the adjustment of enterprises to the external environment and the global market. These changes caused an increase in productivity, but also the second wave of rising unemployment. In response, the Polish-American Freedom Foundation carried out a pilot programme, 'Unemployment – What to Do?', which in 2001–2003 was implemented by the Foundation for Enterprise Development from Suwałki and in 2004–2006 by the Warsaw Foundation for Socio-Economic Initiatives (Boni & Żak-Rosiak, 2002; Portal Bezrobocie.org.pl, 2014). The programme resulted in tests of different models of outplacement, and its conclusions were used to reformulate the 2009 guidelines of the 2007–2013 'Human Capital Operational Programme' (PO KL; pol. 'Program Operacyjny Kapitał Ludzki'), which is co-financed by the EU under the ESF. Thus, PO KL from 2010 includes outplacement as part of the so-called anti-crisis mechanisms (Piotrowski, 2010, p. 8).

The programme 'Unemployment – What to Do?' allowed the testing of three models: classic outplacement, adapted outplacement and environmental outplacement (cf. Koral, 2009, pp. 6–15). The classic model focuses on the diagnosis of potential and needs of the laid-off workers, psychological support, career counselling, training and job placement. An employer, who has decided to implement outplacement, establishes the rules of layoffs and a list of employees for dismissal. It then instructs the consulting firm, employment agencies or NGOs, which prepare the team to provide services, evaluate the professional competence of the redundant workers, examine the situations on the labour market, and proceed to the implementation of the programme with participants in the sequence 'employee to a new employer' or 'become an entrepreneur'. This classic model is considered inefficient in Polish conditions due to the usually average qualifications of laid-off workers, for which there is no demand in the market, while the second sequence is inadequate because most people do not have entrepreneurial and managerial experience.

The adapted outplacement is characterised by greater involvement in the process of supporting laid-off workers by their social environment, including local governments, business environment and NGOs (cf. Koral, 2009, pp. 9–10). The outplacement aims here to activate the local labour market and entrepreneurship through not only the use of instruments such as public works, intervention works, internships, temporary employment, but also by exemption from local taxes, the creation of business incubators, the organisation of trade fairs, supporting local financial institutions by guarantee funds or investment funds.

The last model – environmental – is designed to prevent the effects of long-term unemployment in the case of the collapse of the local labour market (cf. Koral, 2009, pp. 12–15). In contrast to previous models, measures are aimed here at the long-term unemployed and those who are entering the labour market. This model includes the use of instruments of classic outplacement and elements of group work and social animation. The activation centre should be

set up in a region with protected material conditions to operate, finance, and adequately prepared staff. The animator of such a centre should aim to achieve: (1) integration of the group, identify individual needs, goals and abilities of the participants; (2) implementation of different activation schemes in accordance with the classical model; (3) group activities, which are taking into account the work for the local community; (4) create environmental and self-help groups that help their members to find jobs and create new organisations (for example, associations, targeted programmes, initiatives, volunteer groups); (5) in the end, the regional centre should be managed by its members to foster the development of created support and self-help groups.

The current law on outplacement in Poland assumes that it is mandatory only in the situation when many employees are laid-off simultaneously or at short intervals (Kwiatkiewicz, 2009, p. 33). The employer is not required to provide additional support for workers when they are dismissed individually or in small groups. The qualitative research conducted in 2009 in Kuyavian-Pomeranian Voivodeship shows that such voluntary declaration of employers, to implement outplacement, is marginal. Much more frequently observed is an attempt to avoid the mandatory implementation of the programme by stretching the process of layoffs in time, not extending the contracts of employment, resignation from signing the new contracts, and continuing cooperation through self-employment (Dyspersja, 2014, pp. 53–54).

Presented approach to the outplacement in Polish legislation makes the help to the unemployed as the main goal of PESs. Thus, these offices pay less attention to the work with entrepreneurs who laid-off workers during the restructuring of their companies (Kwiatkiewicz, 2009, p. 33). People at risk of losing their jobs can register into the PESs system to be defined as ‘job seeker employees’. However, this only gives them access to training and job offers. There is also a belief that outplacement is expensive and difficult to access. This is because such programmes are executed by consultants from commercial companies while they are also carried out by non-profit NGOs.

### **Noticeable Advantages and Barriers to the Outplacement Implementation in Poland on the Example of the Podlaskie Voivodeship**

The authors of this chapter conducted a study on outplacement during an innovative project called the ‘Innowacje na zakręcie – testowanie i wdrażanie nowych metod outplacementu’ (‘Innovation on the Cusp – Testing and Implementation of New Outplacement Methods’) in 2012 in Podlaskie Voivodeship (Klimczuk-Kochańska & Klimczuk, 2012a, 2012b; Klimczuk-Kochańska, 2013).

Our study consisted of a series of six in-depth interviews (IDI), three focus group interviews (FGI) and quantitative computer-assisted telephone interviews (CATI) among entrepreneurs and employees carried out in 2012. The CATI sample included exactly 200 companies and 200 employees divided into the following industries: crafts industry; industries crucial to regional development; public sector; and start-ups – future growth industries. In this chapter, we only present partial results for companies, which are related to the perception of the economic crisis and the actions undertaken in times of crisis.

It should be underlined here that respondents of CATI often pointed to the knowledge of the concept of outplacement. Nearly 31 per cent of respondents stated that they associated it with the management of human resources and the labour market. A little less, 28 per cent, felt that they have a theoretical knowledge about outplacement. Only 2 per cent of respondents indicated that they had practical experience in the implementation of such programmes. Importantly, 38.5 per cent of respondents are not familiar with this concept and did not have experience in the implementation of outplacement.

### **Assessment of Restructuring Activities in Organisations**

Respondents participating in FGI research were asked about what they feel are the first signs of the crisis in companies. During the interviews, respondents pointed to signs of crisis such as a decrease in turnover and profitability, staff members searching for new jobs, the deterioration of

the atmosphere in the company. However, as they also noticed that the symptoms are worsening over time and changing their form. One of the respondents says that the crisis begins with 'declining interest in the development of the company by the heads, which badly affects the employees, almost as noted above, they send a CV, they are not sure of their position'. Another respondent noted:

The first sign is a decline in economic performance, turnover, and the actions of the board. According to my observation, they may take two-pronged actions. Some try to hide it from the whole world and against the external market, but also against internal. Well, of course, they do it on purpose, so it would not deepen like a snowball, to avoid this whole sending the CVs; we pretend that everything is OK. Other more uncommon: everyone knows about the crisis, all feel bad about that and action of the board mostly come down to cost savings in every possible area, so we cut where we can, first promotion, advertising ... then we descend to the staff or dismissals or reductions, or reduction of wages, etc. This is a little worse solution, because the problem deepens, so instead of looking for savings we do not really focus on how to increase turnover.

During the CATI, we collected answers on how the companies respond to the crisis, the status of strategic planning, and tools used for this purpose. Most responses referred to the in-depth study and analysis of the economic situation of the company (60 per cent) and the reduction of administrative costs (52.5 per cent). Other frequently occurring responses were 'saving what they can' (44 per cent) and search for cheaper suppliers and subcontractors (43.5 per cent). Among the less frequently indicated activities, were shortening working hours or sending employees on unpaid leave (16.5 per cent) and limiting production (15 per cent). The respondents further indicated that in the difficult situation their organisations rarely report their difficulties to the PESs or other institutions that could support their efforts to introduce corrective actions.

Significant are the answers of FGI participants who show that every crisis leads to a stronger position of companies. These enterprises that are performing well 'are the strongest in the industry, and you will see a very high level of investment in those who survived'. In their opinions, the response to the crisis should be taken from the beginning of the diagnosis of the problem and targeted at saving them. Respondents pointed that companies should give their workers specific goals: 'there is a need to develop a model of conduct; this is a burden for those who are a board of directors or owners of a company. They should first diagnose the problem ... then take important decisions.' In this case, as noted by another respondent, it is 'worthwhile to use the help of consultants'. However, 88 per cent of the entities did not have a development strategy that takes into account organisational changes or others related to the crisis. Eight per cent indicated the possession of such documents, while 4 per cent did not give any answer. Representatives of companies that have a strategy of development were asked to indicate who developed a plan and about their contents. Fifteen respondents indicated that it was prepared by the management of the company, three by a 'board and external consultants' and five that in the reverse order by 'external consultants and board'. Only in seven companies did employees, without the participation of external experts, prepare such a document. Only one of the respondents pointed to strategy elements with regard to the activities relating to the crisis: 'how to change a lot of products, a way to protect the people as a result of shifts in positions'.

The next question concerned methodologies and tools useful in building the company's development strategy in times of crisis. Only 6.5 per cent of the respondents indicated that such a methodology exists in their business. They suggested the use of 'budget plan', 'rules of the organisation', 'plan 3-5-10' and SWOT analysis (strengths, weaknesses, opportunities and threats). Thus, in most cases, companies still need to develop documents that could provide a basis for action in times of crisis. Therefore, the respondents were asked about features that they would be interested in to use during the support, as people responsible for building the company's development strategy, especially during the restructuring. In the opinion of the respondents, such support should primarily be free (87 per cent). For a significant part of the



participants, it should be flexible, which would allow for adaptation to the needs of the organisation (79.5 per cent) and based on direct contact with the supporting consultant during the process of building development strategy (77.5 per cent). Another important feature is the ease of implementation of such support by representatives of the organisation (68 per cent). Few of the responses related to the forms of remote assistance (38 per cent) or consisted of telephone contact with a consultant (42 per cent).

It should also be noted that only part of the respondents pointed to the range of topics of support. A significant share of respondents indicated that they facilitate in the processes of restructuring of their business and employment (74 per cent). In fact, for 42.5 per cent of the respondents support should include a tool for carrying out analyses of competitors, while 44 per cent indicated the need to include aspects that allow them to perform the analysis of a portfolio. Half of the sample would be interested in support that will include conducting a SWOT analysis of the company's products and services.

### **Use of Various Forms of Outplacement**

According to the respondent involved in the IDI studies outplacement activities make sense only if they 'try to select from these people, which is not an easy task because they are people with relatively small clout but an attempt to create a group of people who ... will start their own business'. During the CATI survey, respondents were asked to evaluate different measures to support redundant workers that were used in the surveyed companies by using the five-point scale (where 0 is unsatisfactory, and 5 is perfect). The resulting evaluation is located on a scale from 2.3 to 3.8, which is the average utility of different forms of outplacement. Among relatively high rated activities were severance pay for redundant employees (average rating 3.8). In second place was increasing their training qualifications (3.8). Also important was retraining to enable workers to change careers (3.7). The lowest evaluated forms of action were the possibility of using the office located on the premises of the former employer (2.4) and organising a special internal unit responsible for dealing with support for laid-off workers (2.5). Quite low were also activities in the field of coaching (2.8), cooperation with a psychologist (2.8) or maintaining the relationship with the existing employer in other forms (3.0).

These responses indicate that employers are unlikely to want to maintain further contact with redundant workers. According to employers, the easiest way would be to provide them with such support, which will undoubtedly end the opportunity to assert other claims by the laid-off employees, and such a solution can primarily be severance payments. The similarly is in the case of training, which also can be provided to the released employee by the other labour market institutions. However, when it comes to activities that aim at maintaining further contact with laid-off employees, their evaluation turned out to be slightly lower.

It can be concluded that the representatives of companies would rather remain cut off from the problem of redundancy and paradoxically – although this generate cost – they will even pay for severance. They do not prefer using perhaps even cheaper forms of support such as training and outplacement services. However, such support requires the maintenance of further contact or even to establish a new form of cooperation in the vocational field. This also means the need for collaboration with the labour market institutions.

### **Conclusion: Plans and Possibilities for Outplacement Development in Poland**

Combating unemployment has become a primary challenge for Polish social policy. Nevertheless, the last 20 years show that this policy is ineffective in case of mass-scale, long-term unemployment. The main barriers of this policy are the inadequate funding and the need to change its goals into more focused on the prevention of unemployment and the poverty. There is a need to focus more on activation instruments not only for the unemployed, but also for laid-off employees to support their smooth transition to the new employers.

In Polish enterprises, the most common response to the crisis is firing workers. In particular, a large group of those laid-off are older workers, which is also the most 'problematic'

group, as entrepreneurs often underestimate their experience and are not interested in employing them. The existing labour market instruments and law do not meet the needs of companies during the crisis, due to the limited way of defining outplacement as a tool for large layoffs or at short intervals. Thus, it does not correspond to the needs of SMEs.

On the other hand, Polish entrepreneurs are not prepared for a crisis. They usually do not have a strategy for how to respond to such events. Thus, they are blocking future growth, resistance and resilience (the ability to cope with change such as the crisis). The labour market institutions should support them by providing appropriate services, but changes in the law undertaken in 2014 do not seem to be able to improve the situation (Ministry of Labour and Social Policy, 2014; Męcina, 2013; Sztandar-Sztanderska, 2014). The reform of labour market institutions does not have a direct influence on defining outplacement in Poland. Nevertheless, the role of employment agencies, which can implement such services, may now grow due to changes such as the commissioning of activation services for selected groups of unemployed by public offices to private and NGO agencies; the transformation of the regional Labour Market Councils consisting of representatives of trade unions, employers' organisations, local governments, and community organisations to manage the Labour Fund, programming, and monitoring of the LMP. The reform aims to improve the quality of activation services also, by, among others, profiling of unemployed to liberalise and to better adjust of services; improving standards of PESs by diminishing bureaucracy; integration of counselling, career information and job search; closer cooperation of labour offices with municipalities. In addition, a range of new tools to support the creation of jobs and return to employment was introduced. These are the grants for teleworking; awards for employment activation agencies if they manage to get the unemployed back to work; tripartite training agreements between unemployed, labour offices and training institutions; subsidies for hiring unemployed older workers; vouchers for the young unemployed to provide training, relocation and internship; the establishment of a National Training Fund, which will bear the costs of employees training for entrepreneurs.

Employment agencies run by NGOs expressed concern about the process of the 2014 reform, its public consultation, insufficient flexibility of new services, and discriminatory practices within the profiling of the unemployed (Komuda, 2014). Their comments lead to the conclusion that mainly classic outplacement will be used while other models will remain a rarity. The local partnerships (the local pacts for development or employment), which may implement such models, also remained essentially unchanged by the reform. While the European Commission recognises the partnership as the most important instrument of the local LMP and social cohesion and recommends the development of it by the involvement of all relevant stakeholders (European Commission, 2004), so far labour offices in Poland usually do not treat other entities as equal partners in the planning of the local LMP, do not coordinate activities with them, and rarely implement joint projects requiring financial flows (Piotrowski, Sztandar-Sztanderska, & Zieleńska, 2008, p. 33). Collaboration most often takes the form of an exchange of the necessary information. Despite the existing legal possibilities, outsourcing services are usually limited to individual and group training, and much less likely to include other activities.

However, in 2014–2020 outplacement will be financed in the 'Knowledge – Education – Development Operational Programme' (pol. 'Program Operacyjny Wiedza Edukacja Rozwój'; PO WER) which is co-financed by the EU under the ESF. Support will be undertaken to foster the development of competence and qualifications of employees and enterprises to adapt to the economic changes (Ministry of Infrastructure and Development, 2014). Projects in these programmes will be selected through competitions on a regional level from the proposals submitted by commercial and NGO entities – mainly training institutions and employment agencies. Although guidelines are not yet known they cannot affect the existing Act on Employment Promotion and Labour Market Institutions (2004 along with changes from 2014), which as mentioned in the chapter, defines outplacement as an additional and easy to evade activity.

Our studies show that the outplacement programmes may be more accessible if the government fosters the potential of social and solidarity economy entities. The ongoing crisis may force the issue of using the vast potential of nearly 2,814 NGOs working in Poland in the area of the labour market to foster social cohesion (database of NGOs run by the Klon/Jawor Assotiation as cited in Frączek & Laurisz, 2012, p. 169). A review of the literature suggests that more interest in outplacement requires to combine the economic and social goals. Such programmes may create an opportunity to make a positive adaptation of companies and employees to the changing requirements of the economic, social and political environment. However, this requires more promotion of corporate responsibility, the social and solidarity economy, and knowledge about NGOs as potential employers, employment agencies, training institutions, social dialogue and local partnerships. In particular, these organisations may be animators and coordinators of environmental outplacement on local and regional levels.

The analysis carried out in this chapter allows us to identify directions for further research, such as the identification of the basics of social campaigns for outplacement promotion; identification of good practices in the implementation of outplacement, especially in SMEs; deepening research capabilities of outplacement management by NGOs; research opportunities and barriers of outplacement from the perspective of NGOs and social and solidarity economy entities; and research taking into account expectations of SMEs and NGOs in dimensions of multi-level governance of outplacement, including production, financing and regulation of such services.

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